

Governor Brian Schweitzer

Energy Plan for Montana



Schweitzer

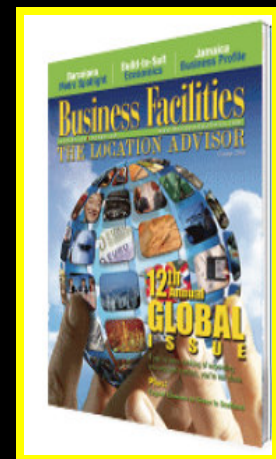
Economic Development Plan

- **Diversify the economy**
- **More Jobs**
- **Better quality jobs – wages & benefits**
- **Jobs geographically dispersed – inside & outside “the boot” including in Indian Country**

Montana's on the *Move*

Business Facilities 2008 State Rankings

- **Overall business climate – 7th.**
- **Best overall tax climate for business – 6th.**
- **Best sales tax climate for business – 3rd.**
- **Quality of life – 8th.**
- **Manufacturing momentum – 9th.**
- **Most educated workforce – 11th.**
- **Best education climate – 19th.**

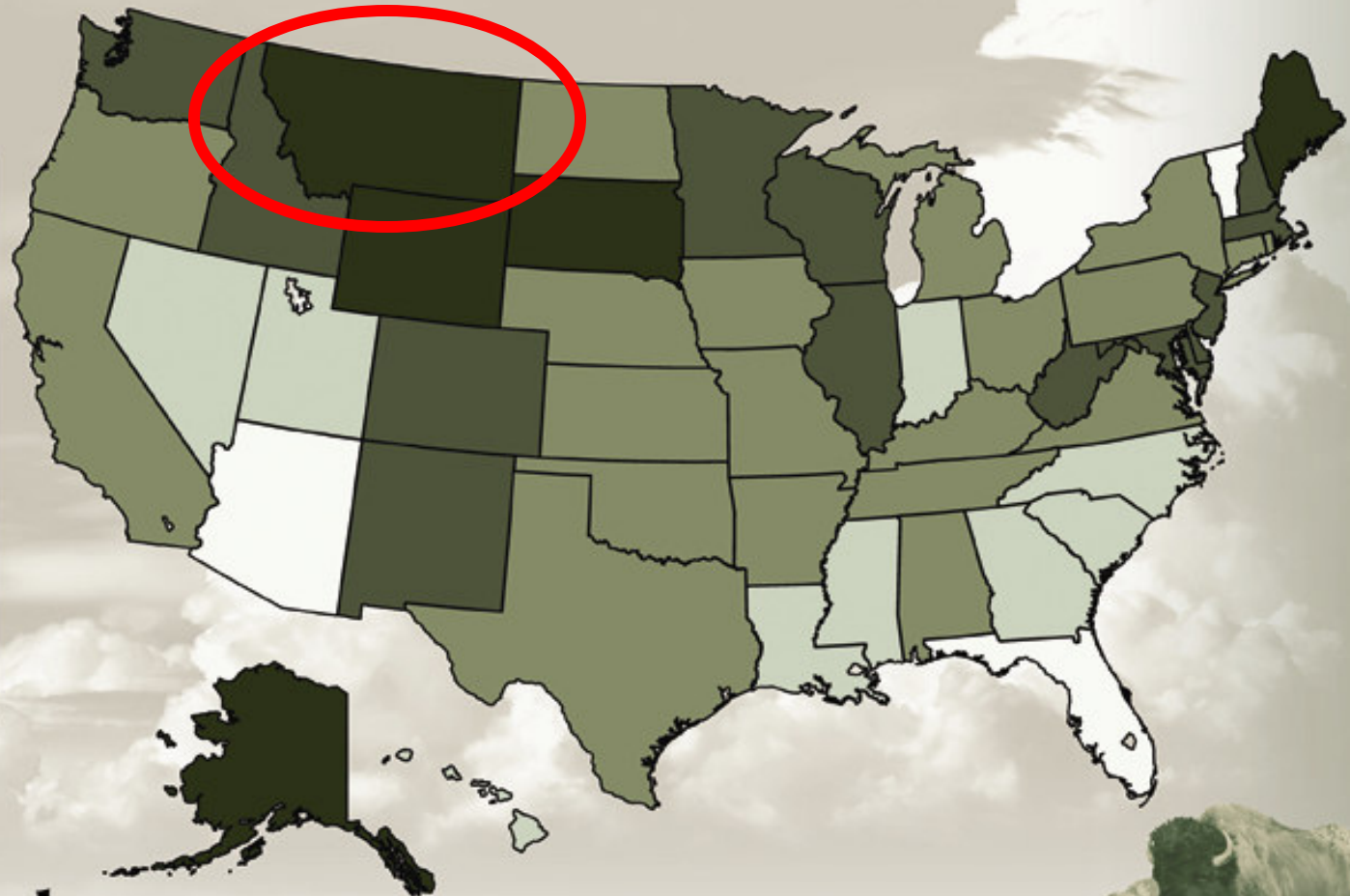
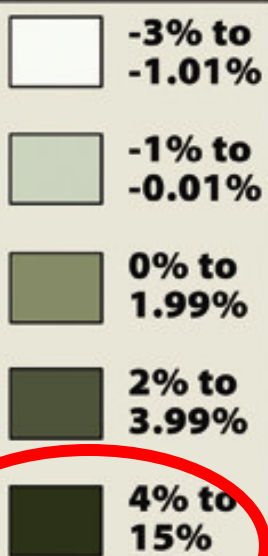


Montana's on the *Move*

-  **One of the fastest growing economies in America (7th) over the last 3 years – 3rd fastest in last 6 months .**
-  **Montana #6 in state business tax climate rankings** (Tax Foundation)
-  **10th lowest combined state and local tax burden** (Tax Foundation)
-  **Record low annual unemployment rate each year in office (2007 - 3.1%). One of lowest rates in the nation.**

State Employment Growth from January 2008, to July 2008 *(CES Unadjusted)*

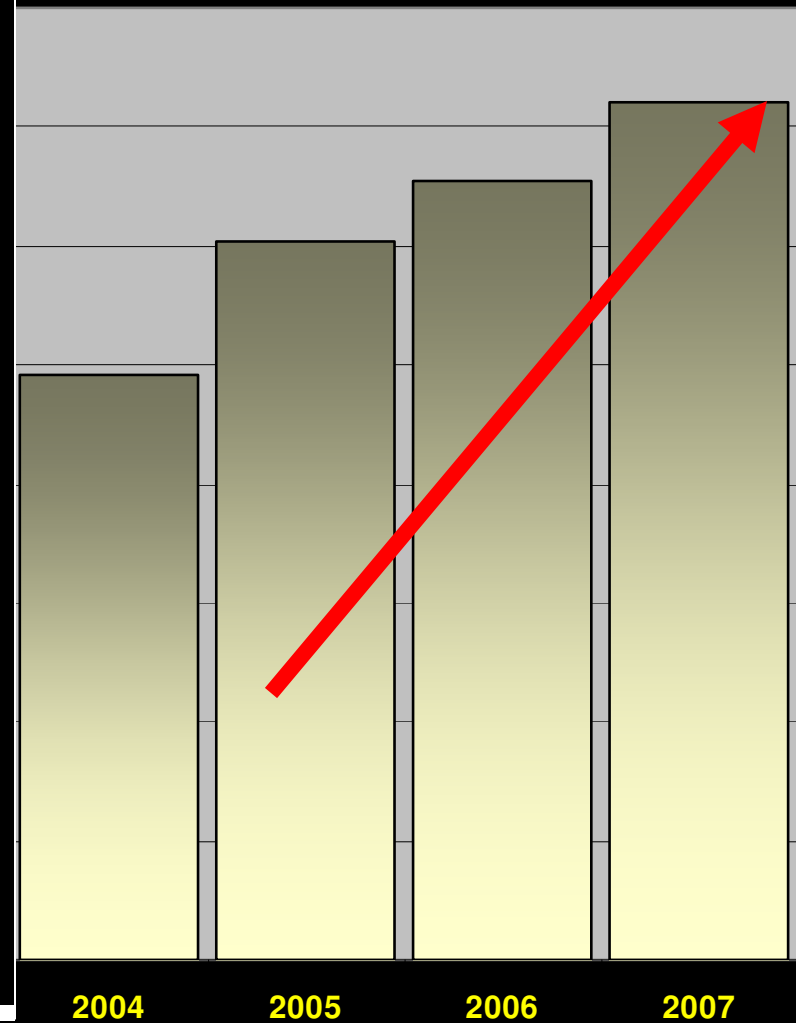
Employment Growth



Montana's Real State Gross Domestic Product (GDP) per Capita

**7th
Fastest
Growing
State
for Real
GDP**

29,000
28,000
27,000
26,000
25,000
24,000
23,000
22,000
21,000



Source: Bureau of Economic Analysis, U.S. Department of Commerce

Montana's on the *Move*

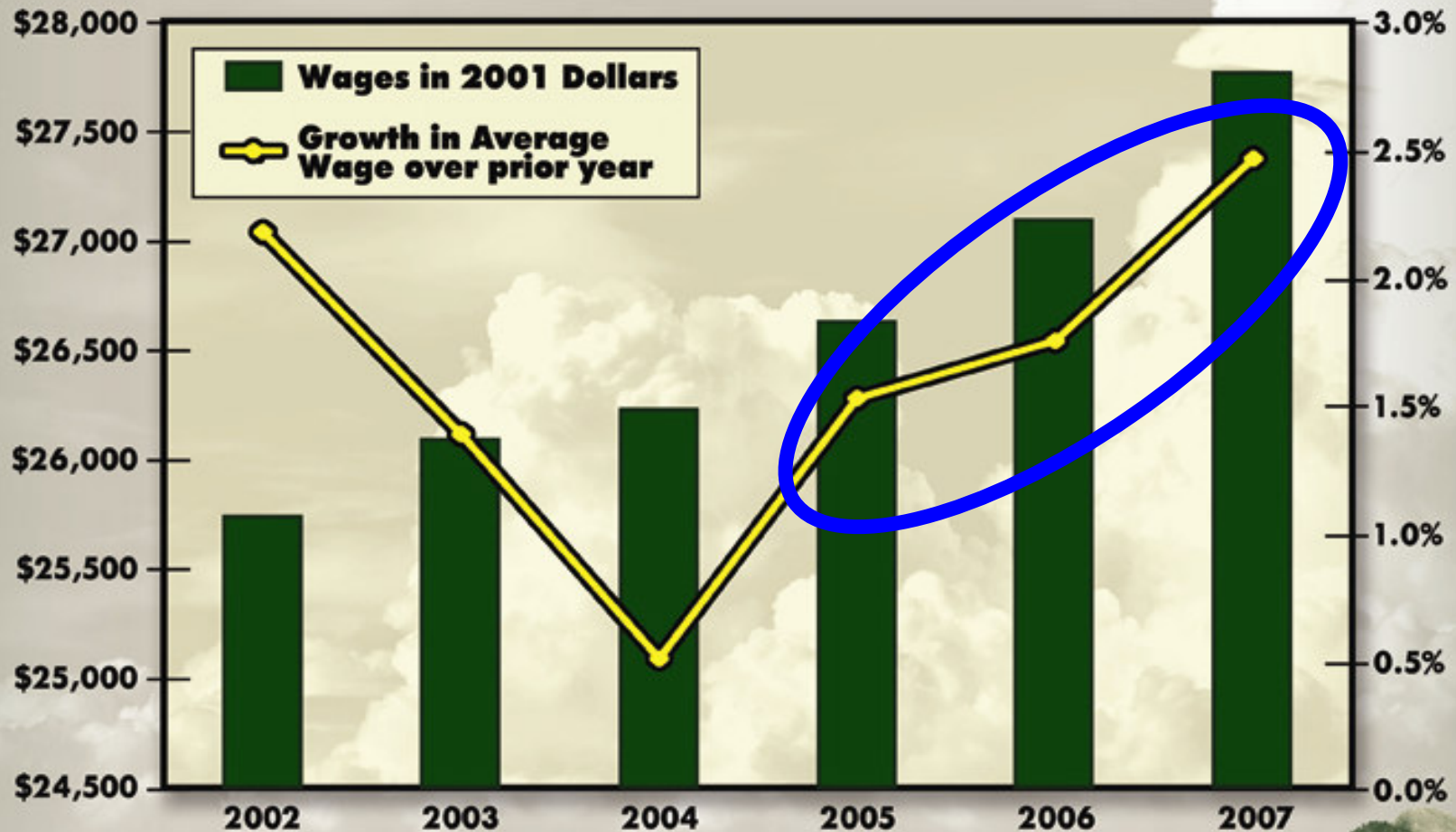
Record # of People Working at Record High Wages

Record Avg. Monthly Job Growth

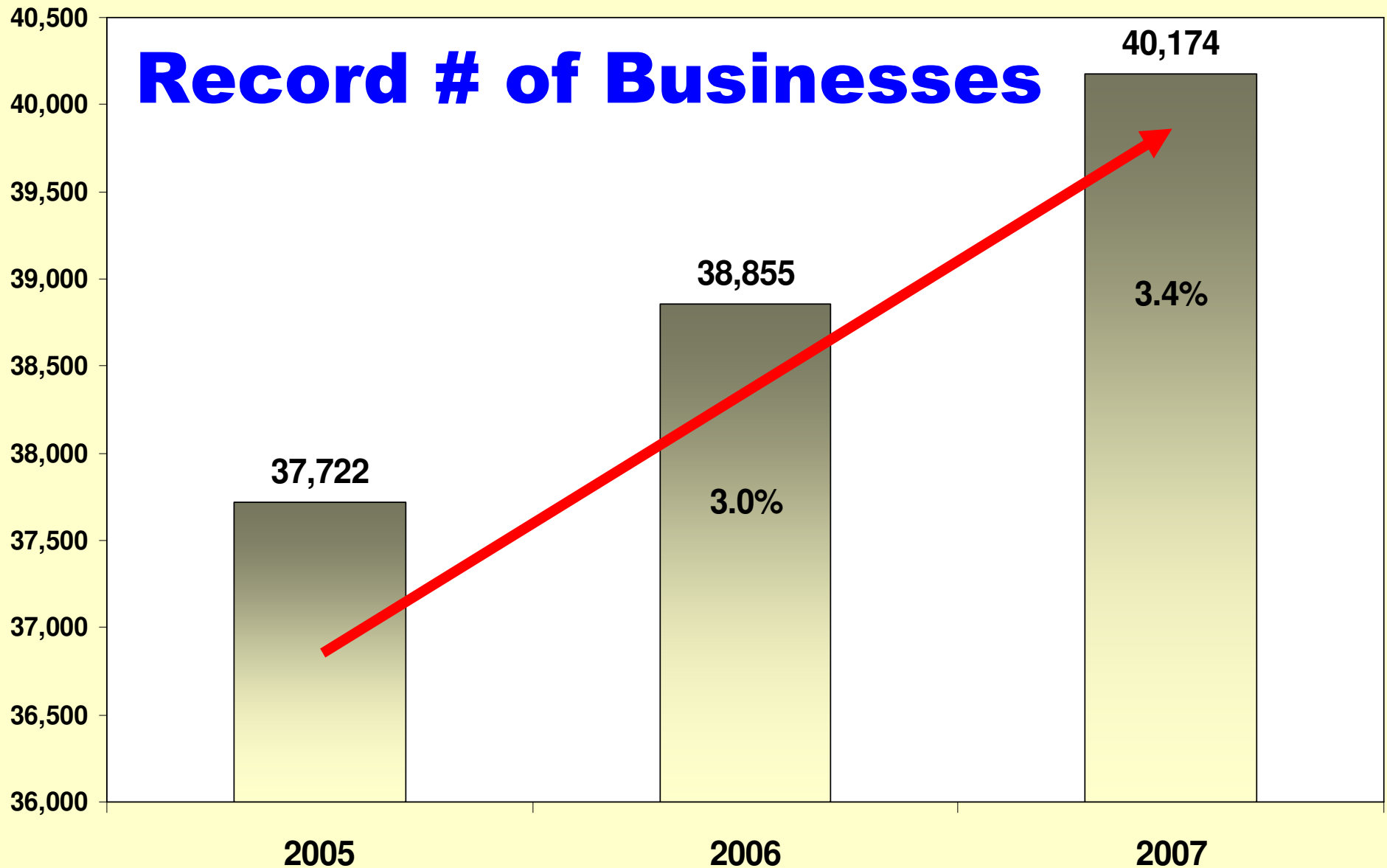
1989-1992	802
1993-2000	990
2001-2004	770
2005-2008	1,321

457,600 jobs now – 56,800 since 1/1/05

Inflation Adjusted Average Annual Wage in Montana: 2002 to 2007

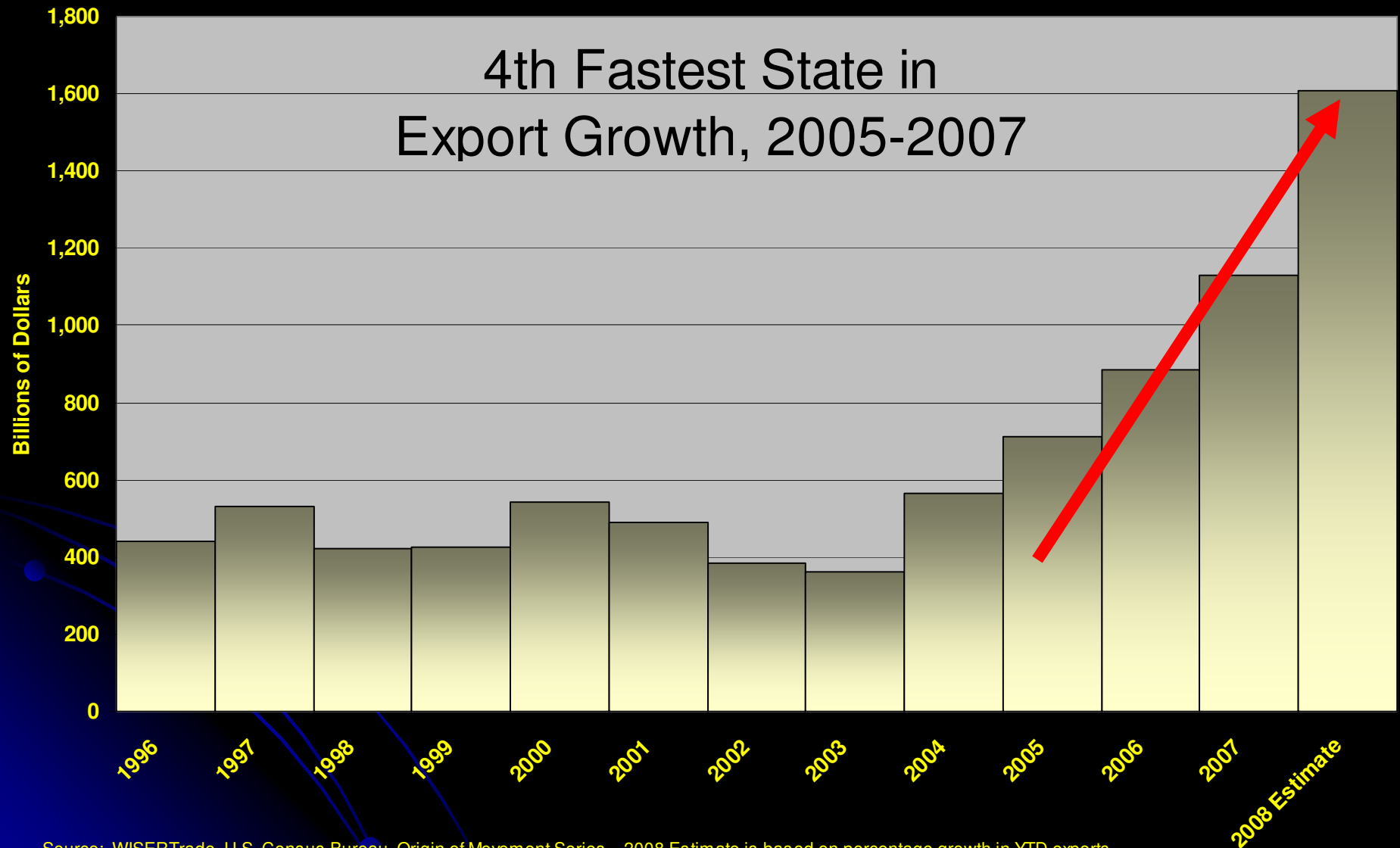


Private Establishments (Businesses) in Montana



Source: Quarterly Census of Employment and Wages

Value of Montana's Exports, All Commodities to All Countries



Source: WISERTrade, U.S. Census Bureau, Origin of Movement Series. 2008 Estimate is based on percentage growth in YTD exports over 2007.

Montana's on the *Move*

Value-adding Manufacturing by State **2002-2006 Rate of Growth – Census Bureau**

 **Value-added by manufacturers – 3rd.**

 **Value of shipments – 3rd.**

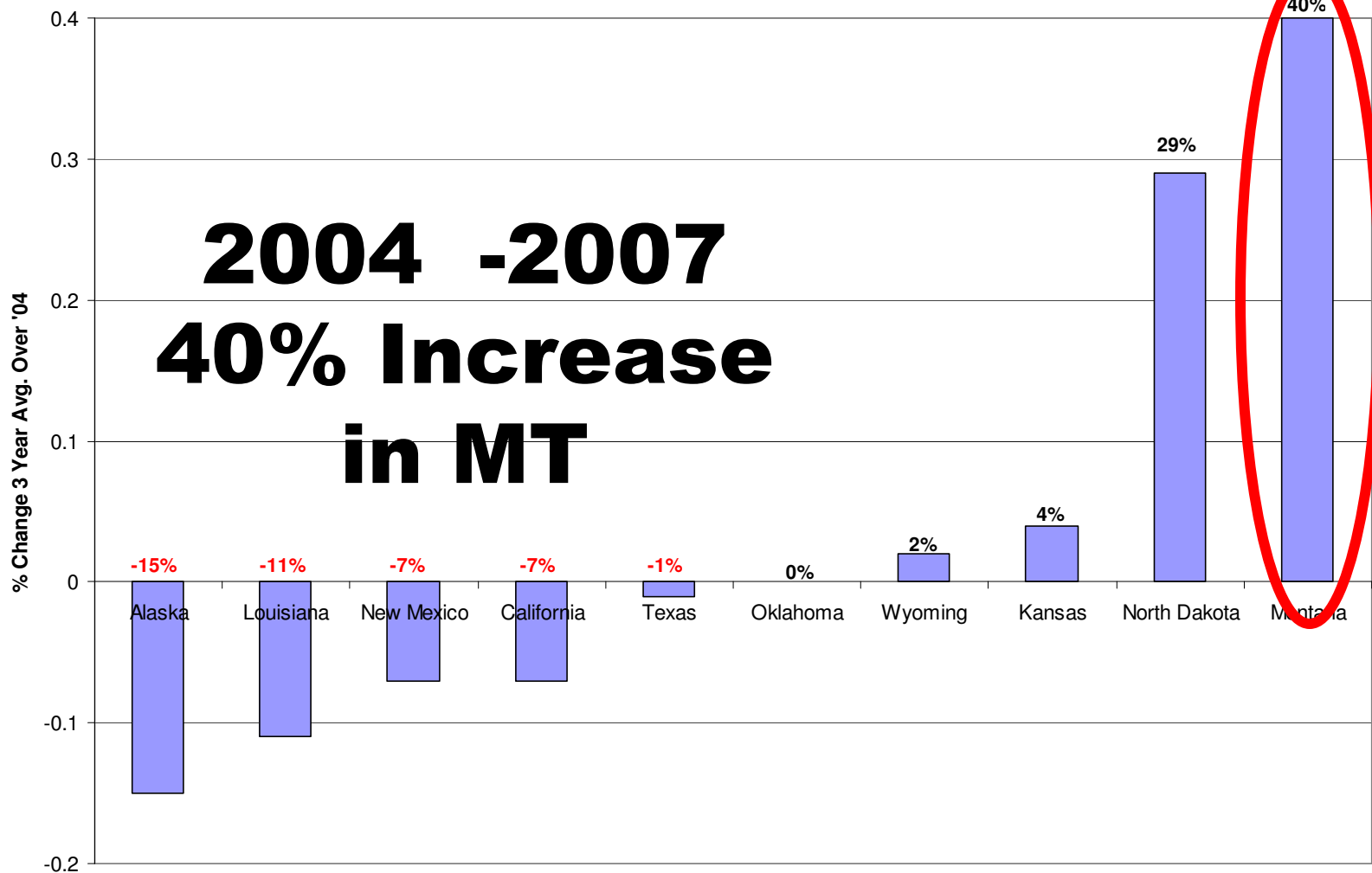
 **Avg. value-added/employee – 2nd**

Montana is Oil and Gas Country

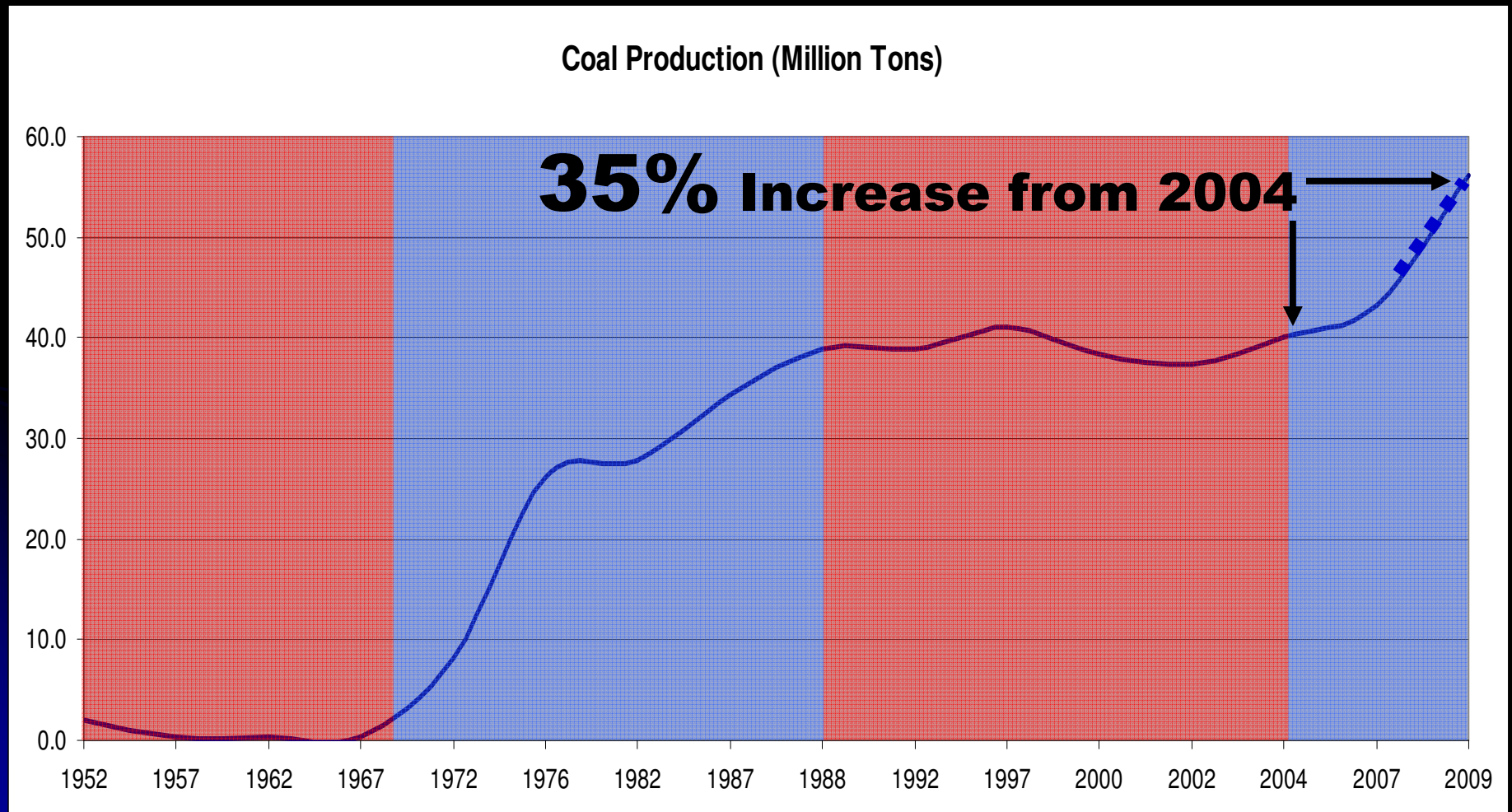
Montana Oil Production Growth

Source: U.S. Energy Information
Administration including 2007 non-
annualized data
Montana Board of Oil and Gas

CRUDE OIL PRODUCTION IN VARIOUS STATES

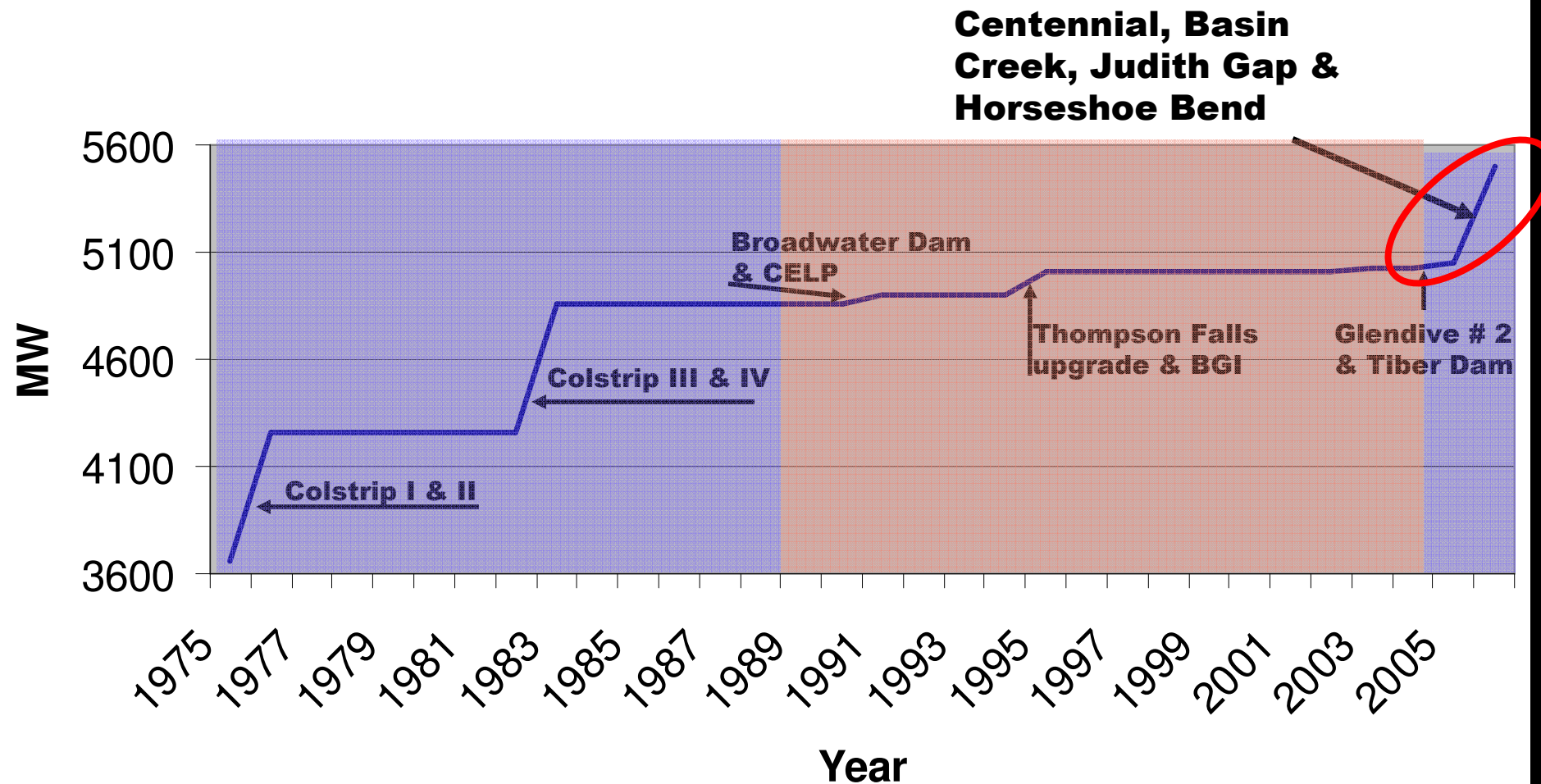


Montana Coal Production with Signal Peak



Source: US Department of Energy

Montana Generation Capacity (MW)



More new generation capacity in last 3 years than previous 20 years combined

MONTANA

Economic Direction

- **Strong resource, commodity & energy economy**
- **Growth in technology & knowledge economy**
- **Growth in tourism**
- **Attractiveness as a place to live and do business**

Restoration Economy

Creating Jobs Cleaning Up Montana

Major Natural Resource Damage (NRD) and Related Remediation Settlements in Montana 2005-2008

Year	Area	NRD Recovered by Montana for Restoration (\$ million)	Cash out Settlements of Remediation Claims (\$ millions)
2005	Milltown Dam and Sediment Removal	\$13 (cash and other value)	\$100 (estimate)
2007	Upper Blackfoot River	\$7	\$40 (Mike Horse Dam, etc.)
2008	Upper Clark Fork Basin - II	\$72.5	\$95.5 (Clark Fork River)
2008	East Helena Lead Smelter *	\$8 (including \$3MM land)	\$100 (combined restoration and RCRA remedy)
Total		\$100.5 million	\$235.5 million

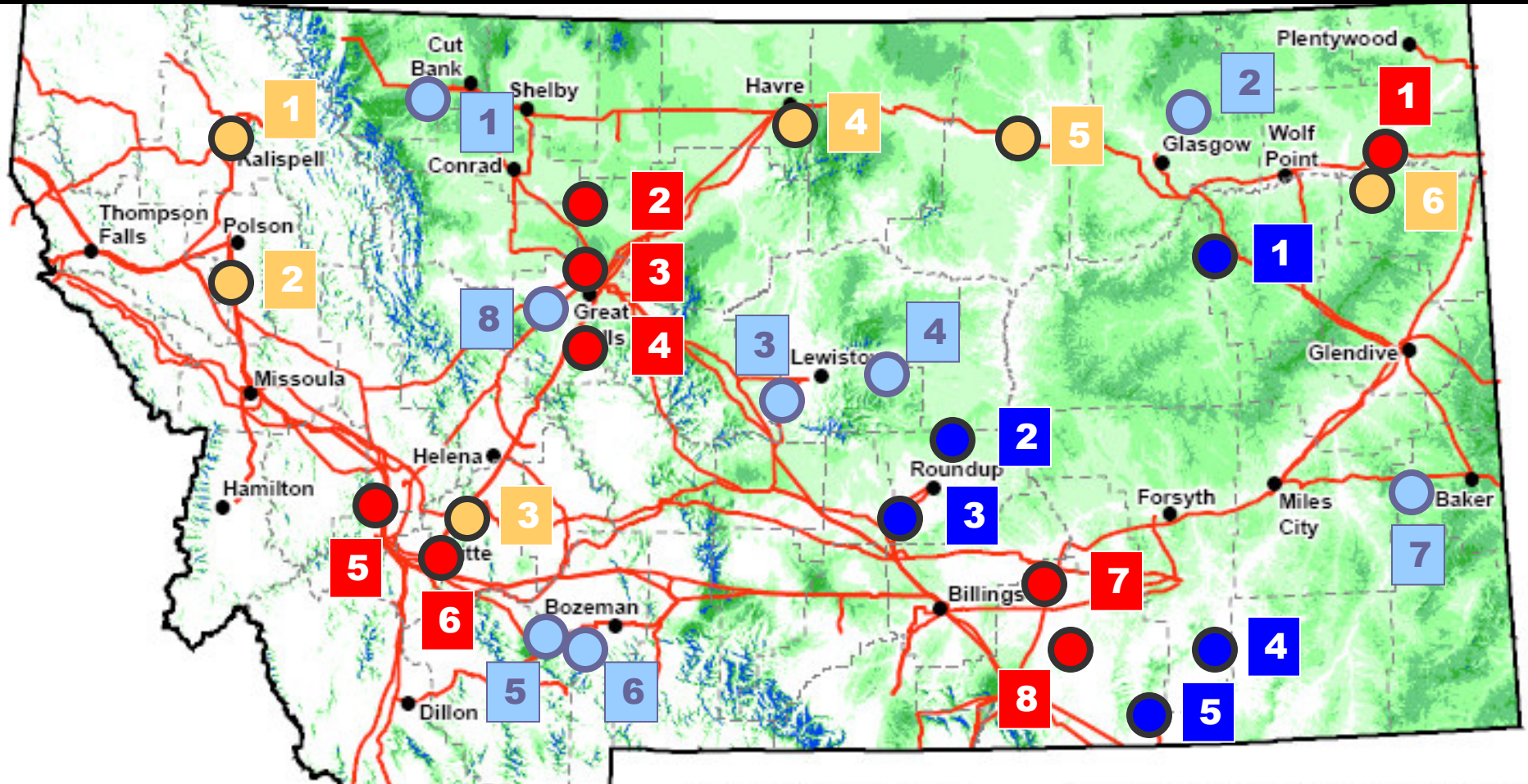
*pending court approval

Montana Energy Development Business Tax Advantage

- **6th best tax structure for business in the U.S. -- North Dakota is 30th**
(Tax Foundation)
- **12th lowest state & local tax burden in the U.S. -- North Dakota is 14th**
(Tax Foundation)
- **No general sales tax on business**

Montana Energy means Montana Jobs

Projects since 2005



● Power Plant Activity

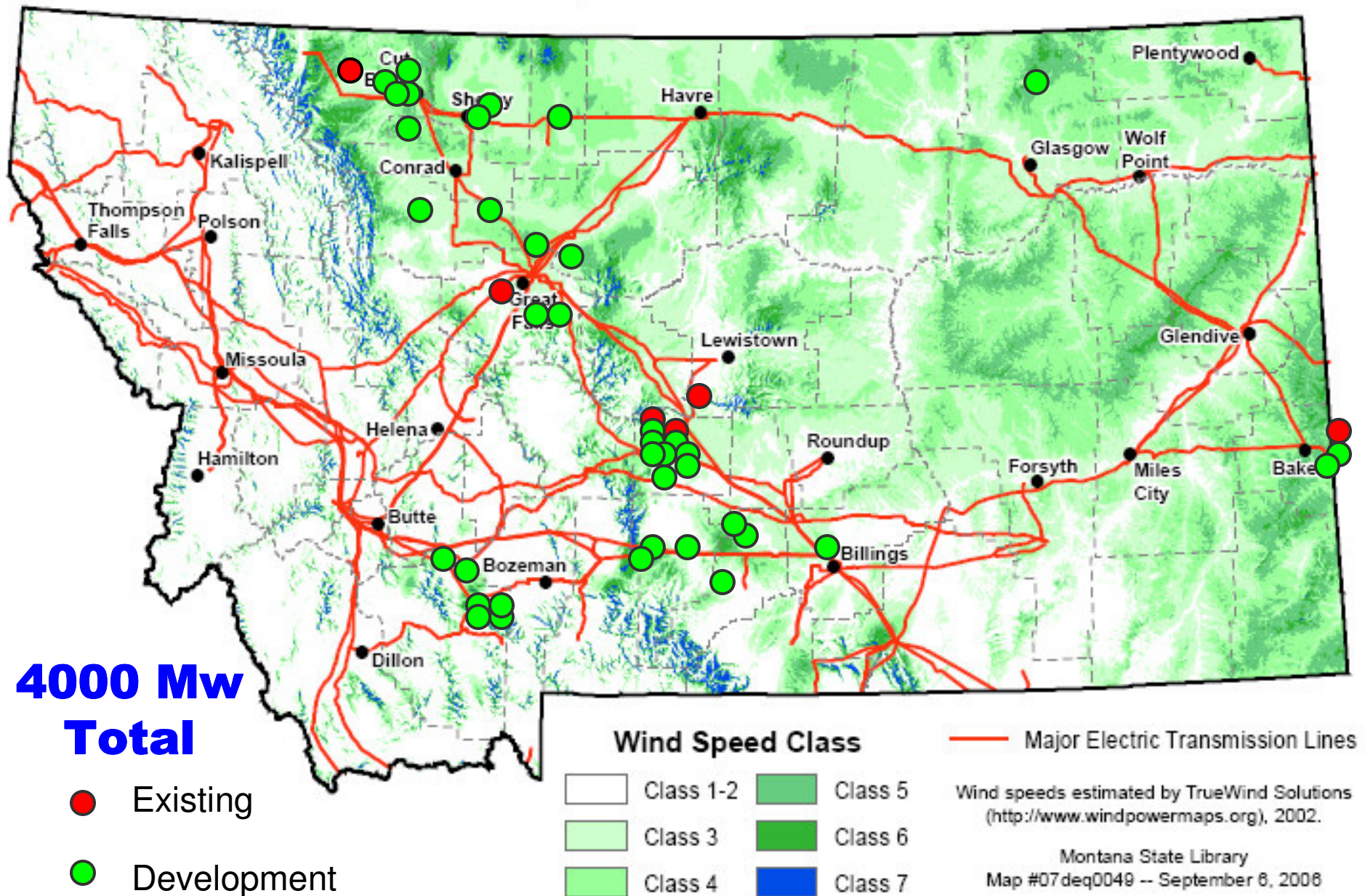
● Bio-Fuels Activity

● Wind Generation Activity

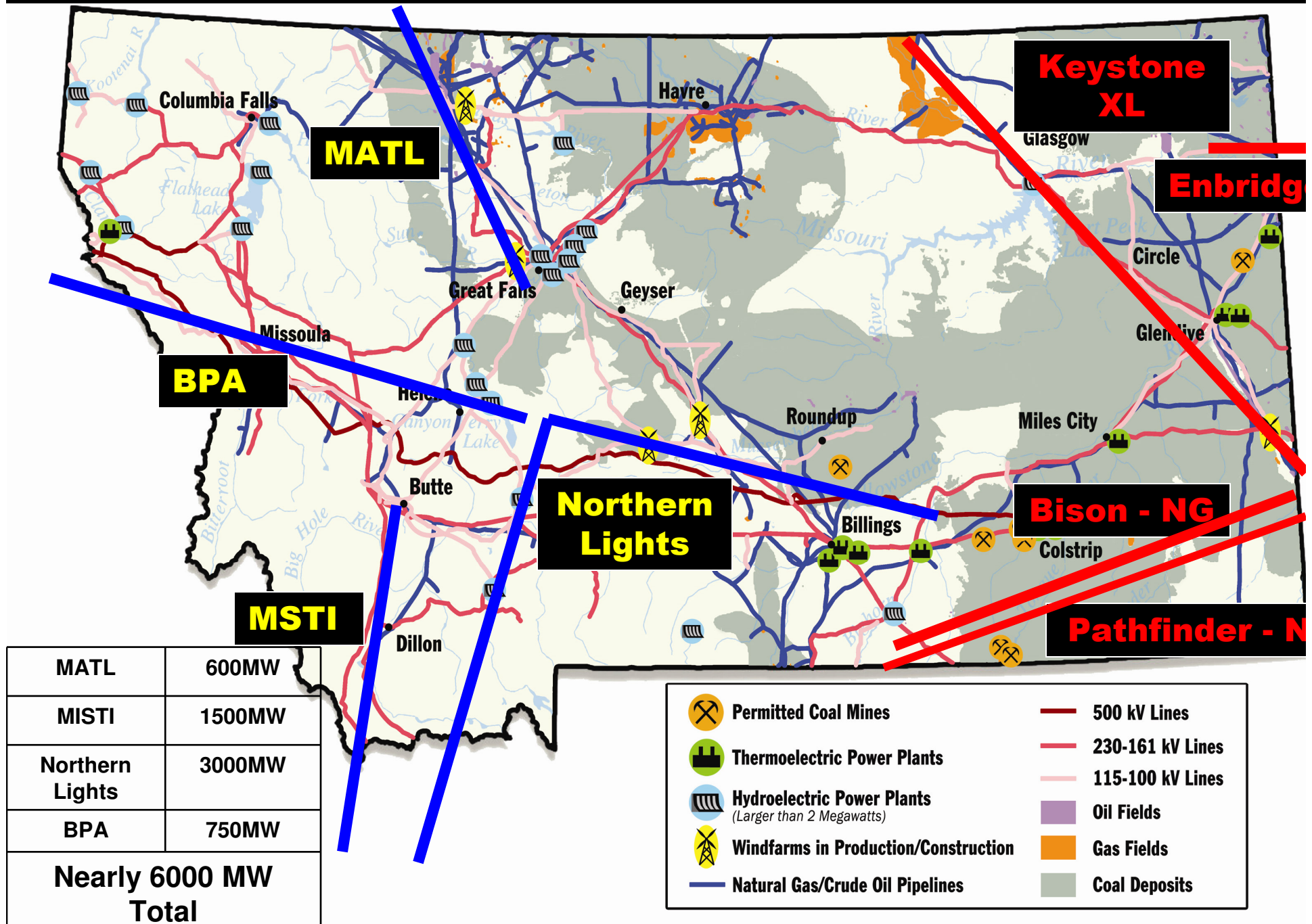
● New or Expanded Coal Mine Activity

~permitted or under review

50 Wind Projects in Various Levels of Development

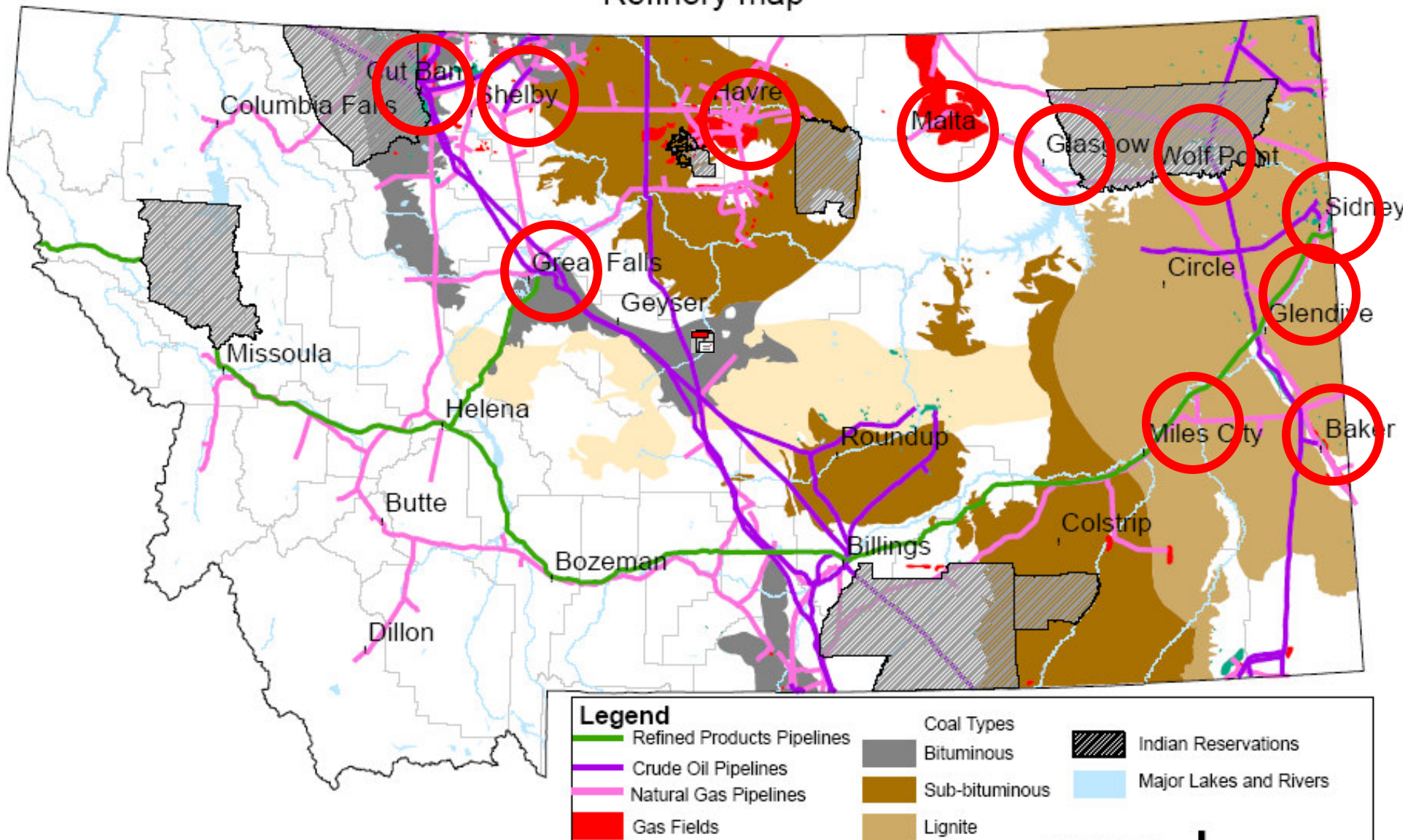


Major New Transmission Lines & Pipelines in Development

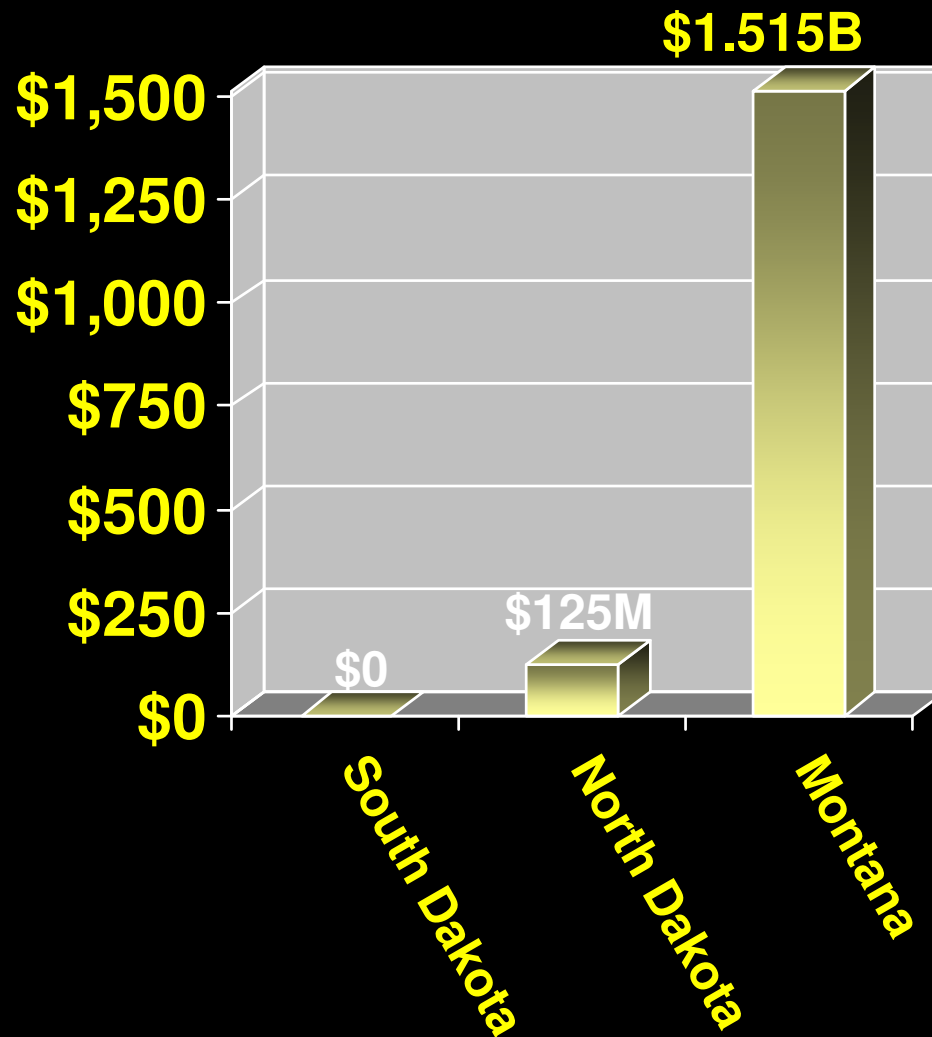


Possible Refinery Sites

Refinery map



Oil Refinery Investment in Montana



Investing in Montana

Connacher - \$100 Million

Cenex - \$325 Million

Conoco - \$1 Billion (2 phases)

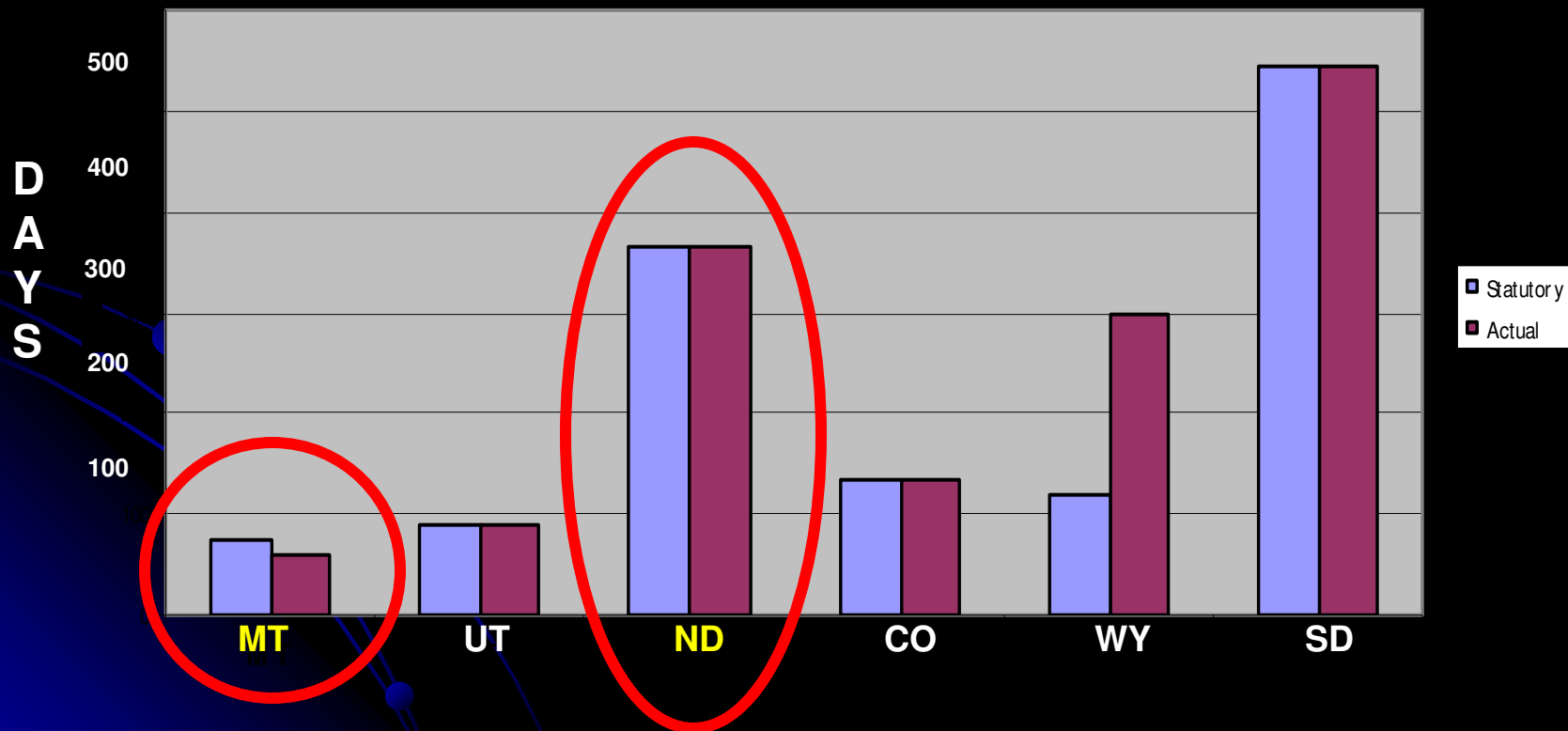
Total - \$1.515 Billion

Montana's on the *Move*

- HB 728 Bill to allow Montana Department of Environmental Quality to Contract to Expedite Permit Application. (Table in Senate Natural Resources and Energy)
- Governor's Office of Economic Development Emphasis
- MATL – Intervention with Federal Department of Energy

Permitting Comparison

Final Decision Time frames (Statutory and Actual) for Air Quality Permits:



Montana's on the *Move*

State Investment in Worker Training

- **New worker training -- \$4 MM/yr**
(Dept. Commerce)
 - **Targeted individual training -- \$5 MM/yr (SWIB)**
 - **WIRED -- \$3.5 MM/yr (multi-agency)**
 - **Incumbent worker training pilot -- \$250,000/yr (DLI)**
 - **Apprenticeship -- \$440,000/yr (DLI)**
 - **Pre-Apprenticeship -- \$750,000/yr**
(multiple partners)
- Total of \$13.5 MM**